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Jeffrey M. Nelson
Chief Counsel & Director of Legal Services

September 4, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
 Chief Clerk & Administrator
 Public Service Commission of South Carolina
 101 Executive Center Drive, Suite 100
 Columbia, South Carolina 29210

Re: Application of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for an Accounting Order to Defer Certain Costs Related to Grid Reliability, Resiliency and Modernization

Docket No: 2018-206-E

Dear Ms. Boyd:

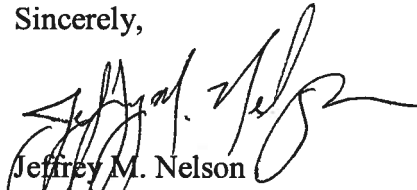
The South Carolina Office of Regulatory Staff ("ORS") has had continued discussions regarding the Petition of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC ("DEC," "DEP" or "the Companies") request for approval of an accounting order to defer certain capital and operating expenses pursuant to S.C. Code §58-27-1540 and S.C. Code Reg. 103-825 in the above-referenced docket. As a result of those discussions, ORS does not oppose the request for a deferral in light of the agreement with DEC and DEP as follows:

1. ORS' position is predicated on the basis that the issuance of an Accounting Order in this matter will not preclude the ORS, the Commission, or any other party, from addressing the reasonableness of these costs, any return sought, and including any carrying costs in a subsequent general rate case or other proceeding.
2. DEC and DEP agree to support a future filing by the ORS in the second half of 2019 for a proceeding to adopt guidelines on future deferral requests.
3. ORS' position on the deferral request is not dispositive as to any future position on the merits of the Power/Forward Initiative.

Letter – Jocelyn G. Boyd
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If you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffrey M. Nelson

cc: Joseph Melchers, Esquire (via E-mail)
Heather Shirley-Smith, Esq. (via E-mail)
Frank Ellerbe, Esq. (via E-Mail)